

**Internal Revenue Service**

**Department of the Treasury**

District  
Director

P.O. Box 1576, BPO Brooklyn, N.Y. 11202

Date: DEC 07 1983

Person to Contact:

Contact Telephone Number:

Refer Reply to:

**CERTIFIED MAIL**

We have considered your application for exemption under section 501(c)(3) of the Internal Revenue Code.

The evidence presented disclosed that you were incorporated [REDACTED], under the laws of the State of [REDACTED]. Your purposes briefly stated are to provide scholarships and grants and to contribute or pay funds for cultural and educational purposes.

Your activities consist of solicitation for funds from individuals, corporations, trusts and other entities. Funds are distributed for worthy causes to organizations which are exempt from tax under section 501(a) of the Internal Revenue Code.

Section 1.501(a)-1(3) of the Income Tax Regulations states "An organization claiming exemption under section 501(a) and described in any paragraph of section 501(c) (other than section 501(c)(1) shall file the form of application prescribed by the commissioner and shall include thereon such information as required by such form and the instructions issued with respect thereto..."

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations states "In order to qualify under I.R.C. 501(c)(3), an organization must be both "organized" and "operated" exclusively for one or more purposes specified in that section. If the organization fails to meet either the organizational test or the operational test, it is not exempt."

The organizational test relates to the rules for governing an organization and the purposes stated in its articles of organization.

Revenue Procedure 68-14, states that an organization must submit as part of its application "by-laws or other code of regulations."

Form 1023, Application for Recognition of exemption under section 501(c)(3) of the Internal Revenue Code states in the accompanying instructions that "if your organization is a corporation..., you must also include a signed copy of the bylaws."

Acceptable bylaws should include, but are not necessarily limited to the following.

1. Organizational name exactly as it appears in the creating document.
2. Purposes
3. Classes of membership and the qualifications for each class.
4. How and by when the affairs of the organization shall be administered.
5. Officers and the duties of each officer.
6. Meetings (how often held)
7. Fiscal year of the organization.
8. Provisions for making amendments to the By-Laws and Certificate of Incorporation.
9. Date the By-Laws were adopted.
10. Provisions for election of officers.

Based on the evidence presented, we hold that you have not satisfied the organizational test and that you do not qualify for exemption under section 501(c)(3) of the Code. Therefore, you are required to file Federal income tax returns on Form 1120.

Upon the submission of an acceptable set of By-Laws, as outlined above we will be pleased to reconsider your application for exemption.

Contributions made to you are not deductible by the donors as charitable contributions as defined in section 170(c) of the Code.

If you do not agree with this determination you may protest in accordance with the enclosed instructions within 30 days.

If we do not hear from you within that time this determination will be considered final and the appropriate State Officials will be notified.

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If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,

/s/ 

District Director

Enclosure: Publication 852